

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1101-01
Bill No.: HB 519
Subject: Employees - Employers; State Employees
Type: Original
Date: January 30, 2015

Bill Summary: This proposal requires state employers to suspend pay or charge annual or sick leave if employees are placed on administrative leave for more than fifteen days.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Public Safety - Missouri Highway Patrol**, the **Department of Transportation**, the **Department of Labor and Industrial Relations**, the **State Fair Community College**, the **University of Missouri** and the **University of Central Missouri** each assume the proposal will have no fiscal impact on their respective organizations.

The officials from the **Office of Administration - Division of Personnel** assume any potential cost arising from this proposal can be absorbed with existing resources.

The officials from the **Missouri Department of Conservation** assume any potential fiscal impact arising from this proposal is unknown but likely minimal and less than \$100,000.

Officials from the **Office of Administration - Division of Accounting (OA)** state during calendar year 2014, there were 155 employees that were paid for more than 15 days of administrative leave. However, we are unable to determine at this time whether those days were consecutive and whether the use of administrative leave was "due to misconduct or investigation of misconduct" as provided in the bill. Administrative leave may be used for many purposes other than investigation of misconduct.

OA officials assume that the state could not involuntarily place an employee on leave without pay during an investigation into misconduct, as that would amount to a suspension without cause. Accordingly, OA officials must assume that no cost savings would be realized by the proposal.

The proposal could result in the use of additional annual leave by an employee under investigation for misconduct. If that employee then left state employment with a reduced annual leave balance, a cost savings could theoretically be realized. OA officials are unable to calculate the amount of any such savings at this time.

Oversight assumes there will be no cost savings as a result this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Local Government

FY 2016
(10 Mo.)

FY 2017

FY 2018

\$0

\$0

\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

The proposed legislation appears to have no direct fiscal impact.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Labor and Industrial Relations
Office of Administration
 Division of Personnel
 Division of Accounting
Department of Transportation
Missouri Department of Conservation

Mickey Wilson, CPA

Director
January 30, 2015



Ross Strope
Assistant Director
January 30, 2015